




3REN BERHAD

Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

CONFLICT OF INTEREST POLICY

	3REN BERHAD Registration No. 202101012445 (1412744-K)	Doc. No:	3R-POL-010
		Rev. No:	00
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1. Introduction

3REN Berhad (“3REN” or “the Company”) and all its subsidiary companies within the Group (“3REN Group” or “the Group”) aim to maintain the highest ethical standards in carrying out the business activities. Accordingly, the Group expects their Directors, Key Senior Management (“KSM”) and employees to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any conflict of interest or potential conflict of interest that may arise in the performance of their duties.

2. Purpose

The purpose of this Conflict of Interest Policy (“Policy”) is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance on how to deal with situations involving conflict of interest (including potential conflict of interest) situations as when they arise.

3. Scope

This Policy is intended to apply to all Directors, KSM and employees of the Group (including employees on contract terms, temporary staff and those on internship or secondment). This Policy applies whenever an individual recognizes, or should reasonably recognize, that a conflict of interest may arise from their current or future activities.

The scope of this Policy is relatively wide in its coverage of activities that might give rise to conflicts of interest. As it is not possible for the Policy to be all-inclusive, Directors, KSM and employees must exercise reasonable judgment and seek to comply with the Policy.

4. Reference


This Policy shall be read in conjunction with the following guidance, policies and statutory provisions:-

- a. Code of Conduct and Ethics for Directors and Employees;
- b. Whistleblowing Policy;
- c. Anti-Bribery and Anti-Corruption Policy;
- d. Paragraphs 3.05 & 3.06 of Guidelines on Conduct of Directors of Listed Corporations and its subsidiaries;
- e. The statutory duties and responsibilities of directors under the relevant provisions as set out under Sections 214, 217 to 219, 221, 222 and 228 of the Companies Act 2016 (“the Act”); and
- f. Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia Securities Berhad on 26 May 2023.

5. Definitions

“**Beneficial interest**” refers to the right to receive economic benefits from an asset without being the legal owner of the asset, e.g. entitlement of income from shares held through a nominee.

“**Conflict of interest**” is a situation in which a person has competing interests and the serving of one interest could improperly influence (directly or indirectly) the performance of duties and

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responsibilities, and which may be at the detriment and/or personal gain to another. A conflict of interest is generally divided into three (3) categories –

- a. **Actual** conflict of interest refers to direct or real conflict between a person's duties and responsibilities to the Group and a competing personal interest.
- b. **Potential** conflict of interest refers to a situation where a person's private interest could potentially develop to influence the exercise of one's power or performance of duties or responsibilities to the Group.
- c. **Perceived** conflict of interest refers to a situation where others may reasonably perceive, or give the perception, that a conflict of interest exists which could affect one's decision or responsibility.

“**Family member**” means the spouse, parent, brother, sister, child (including adopted or stepchild) and the spouses of such brother, sister or child of the person.

“**Material**” in relation to shareholding means equity ownership of 5% or more.

6. Identifying conflicts of interest


- 6.1. A conflict of interest would arise when a person's ability to perform his/her duties effectively or impartially is potentially impaired by personal interest, considerations or relationships.
- 6.2. Generally, conflicts of interest may be described under the following broad categories:-

(a) Equity ownership in entities having a business relationship with the Group

This is where a Director or KSM or an employee holds shares or equity ownership in privately owned entities having a business relationship with the Group, either directly or indirectly (e.g. through a family member). This does not apply to shares held in publicly quoted companies which have a business relationship with the Group, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or KSM or employee concerned.

(b) Directorship, partnership or other forms of beneficial interest in entities having a business relationship with the Group

This applies to situations where a Director or KSM or any employee holds a position or has an interest in entities having a business relationship with the Group, including financial interest in any of the Group's projects, contracts, sales, transactions or other business dealing or have family members, close relatives or associates with such interests. An example would be where an employee of the Group is a Director of a company supplying materials to the Group. Such situations would result in a conflict of interest.

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(c) Personal relationships

A conflict of interest would exist if a family member of the Director, KSM or employee has a reporting relationship with the Director, KSM or employee.

A conflict of interest would also arise if a Director, KSM or employee has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc.) in entities which have a contractual arrangement with the Group. An example would be where the Group's employee's spouse is working in a company providing services or trading goods to the Group. This also applies to situations where a family member of the Group staff is working in a company bidding for a project to be awarded by the Group, although there is no contractual agreement yet.

(d) Contractual dealings

This refers to situations where the Group purchases or leases property, equipment, materials and etc. from Directors or employees, or enters into contractual arrangements with Directors or employees (other than employment contracts). Such situations give rise to a conflict of interest, and should be declared.

Further examples are listed in Appendix A.

7. General responsibilities


All Directors, KSM and employees of the Group are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:

- (a) Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- (b) Act with objectivity, integrity and independence and exercise sound judgment and discretion;
- (c) Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
- (d) Immediately declare the conflict of interest in accordance with this Policy, abstaining from the decision-making process and not seek to influence such decisions any further.

8. Managing conflicts of interest

For employees

- 8.1. Any conflict of interest must be declared by filing up the Employees' Conflict of Interest Declaration Form as set out in Appendix B of this Policy. The conflict of interest must be escalated to the Head of Department or his/her direct superior for further action.
- 8.2. The declaration shall be made as and when the conflict arises, and shall be made at the earliest opportunity i.e., as soon as the employee becomes aware of the conflict.
- 8.3. The completed Declaration Form shall be forwarded by the person with the conflict concerned to the Head of Department.


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8.4. In addition to the declaration, the person with the conflict and the respective Head of Department must take reasonable steps to manage the conflict and to mitigate the impact of the conflict on the negotiation/ discussion/ decision-making process. The participation of the person with conflict should be limited and restricted. Such limitation or restriction should include, but is not limited to the following:-

- (a) abstaining from the project/matter, including any involvement, discussion and/or during the process of decision making;
- (b) limiting access to information; and
- (c) if necessary, re-arranging duties or responsibilities to a non-conflicting function.

For Directors and KSM

- 8.5. In the case of a Director or KSM, who having an interest, either directly or indirectly or whether actual or potential, in any transaction or arrangement with the Group, or, holding any office or possessing any property where duties or interests as Director may be created in conflict with his duties or interests as Director of the Group, shall as soon as practicable after the facts have come to the Director's knowledge, or, after becoming director or possessing the property (as the case may be), declare the nature, character and extent of the Director's interest and conflict to the Audit and Risk Management Committee ("ARMC") and the Board of Directors ("Board") of 3REN by way of written notice or electronic means such as email to all members of the Board and subsequently communicated to the Company Secretary for their recordkeeping.
- 8.6. Directors should declare any interests relevant to agenda items at the start of a meeting and/or during discussion (including where there is potential for a perceived conflict of interest). Where there is a conflict of interest, the said Director will not participate in the consideration of the relevant item and shall withdraw from the discussion (recuse or abstain) thereon and shall not vote on the resolution in respect of the relevant item. If necessary, the Chairman of the Board ("Chairman") will determine whether there is a conflict of interest.
- 8.7. All Directors and KSM are required to make a declaration of conflict of interest on a quarterly basis via the Directors/KSM Conflict of Interest Declaration Form as set out in Appendix C of this Policy.
- 8.8. Where there is any change in the nature and extent of the Director's interest subsequent to the disclosure, the Director shall make a further disclosure of such changes.
- 8.9. The declaration form must be escalated to the ARMC and the Board and recorded by the Company Secretary.
- 8.10. In addition to declaring the conflict of interest, the ARMC shall review the declaration made by the Director or KSM and propose the course of action to take to manage the conflict as well as to mitigate the impact of the conflict on the decision-making process.
- 8.11. The Director and/or KSM who is involved in the conflict of interest or potential conflict of interest after consultation and review by the ARMC, should abide by the ARMC's determination on the reasonable steps and measures to manage, resolve or eliminate the conflict of interest or potential conflict of interest. The participation of the conflicted

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Director/KSM should be limited and restricted. Such limitation or restriction should include, but is not limited to the following: -

- (a) abstaining from any involvement whatsoever in the matter;
- (b) refraining from discussions about the matter;
- (c) continue to receive board papers and other information in relation to the conflict-of-interest matter, unless the Chairman or the Board determine otherwise; and
- (d) abstaining from voting on the decision.

8.12. The Company Secretary shall minute the declaration and decision taken on the conflict-of-interest matter.

8.13. To further strengthen the conflict-of-interest disclosure, the Chairman / Chairman of the meeting is advisable at every meeting i.e., before the commencement of the agenda items to remind the Directors to make declaration/disclosure should there be any conflict of interest (including potential conflict of interest) based on matters tabled at the particular meeting.

9. Compliance with the Act and ACE Market Listing Requirements (“ACE LR”)

The interested Director shall comply with all conflicts of interest requirements under the Act and; to the extent that the interest of the Director gives rise to a Related Party Transaction, the Group’s Conflict of Interest Policy and Related Party Transactions Procedures and Guidelines, the requirements under the ACE LR of Bursa Malaysia Securities Berhad or any other relevant regulatory requirements, where applicable.

10. Records maintenance

For conflicts of interest involving employees, the Head of Department shall maintain records of all conflict-of-interest declarations as well as other related documents. For conflicts of interest involving Directors, the Company Secretary shall maintain records of the declarations and any other related documents.

11. Exception to the Policy

This Policy shall not apply to an arrangement or transaction by an entity within the Group (i) and its wholly-owned subsidiary; (ii) and its holding company which holds all the issued shares of the entity within the Group; or (iii) which is a wholly-owned subsidiary of a holding company and another wholly-owned subsidiary company of that same holding company.

12. Breach of Policy

Failure to disclose a conflict of interest, provide complete and accurate information on the conflict is a breach of this Policy and could result in disciplinary action being taken by the Group.

13. Review

This Policy will be reviewed periodically by the Company, updated and approved by the Board as and when deemed necessary.

Appendix A: Examples of conflicts of interest and potential conflict of interest

COI examples

The following are some examples of conflicts of interest (which are not exhaustive) involving a said person would warrant disclosure i.e., where the said person –

- (a) uses property or resources of the Group for his or her personal purpose or business;
- (b) channels benefits or resources meant for the Group to a company which he or she has an interest in;
- (c) discloses trade secrets to a competitor where he or she has an interest in;
- (d) influences business decisions that may result in personal gain or benefit to the director, KSM or employee, their family members or persons connected to them;
- (e) prioritises his or her private venture by depriving the Group from an identified business opportunity;
- (f) leverages on the business or developmental plan by acquiring adjacent lands using the said person's private company;
- (g) is involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the Group;
- (h) holds offices or directorships in competitors of the Group; or
- (i) provides financial assistance to, or receives financial assistance from, the Group on terms and conditions which are more favourable to the said person than normal commercial terms.

Potential COI examples

A potential conflict of interest is a conflict of interest that has yet to materialize or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the said person. Examples (which are not exhaustive) include the following:

- (a) the said person having similar business with that of the Group in a geographical location which the Group is not currently operating in, but which the Group may expand its venture in subsequently; or
- (b) the said person purchasing substantial building materials for the construction of his or her own property at a massive discount from a contractor which has been shortlisted as one of the contractors for the project. There could be potential conflict of interest as the said person may favour awarding the Group's project to the contractor that gave him the discount.

EMPLOYEES' CONFLICT OF INTEREST¹ DECLARATION FORM

Section A: To be filled up by employee

I hereby disclosed an actual/potential Conflict of Interest as follows (tick where applicable):

1	Board / directorship in company outside the Group	
2	Personal Dealings with Suppliers and Customers	
3	Dealings with Suppliers, Customers, Agents and Competitors	
4	Family Members (Related Parties) has business dealings with 3REN Berhad and its subsidiaries	
5	Investment Activities / Share holdings in construction services industry company	
6	Outside Employment and/or private business activities	
7	None of the above*	

- **This form shall require CEO/ CDO/ Head of Department approval if item 1 to 6 apply, please also fill up section B. In the event item 7 “None of the above” apply, only the declarer signature is required.**

¹ Conflict of interest: is a situation in which an individual's personal interest clashes with the professional interest owed to his/ her employer, potentially undermining the impartiality of the individual concerned. Conflict of interest includes actual, potential or perceived conflict of interest.

Section B: To be filled up by employee

I understand that if I, my family members have any direct or indirect interest in _____

(“**the related party**”) which has business dealings with the Group, I shall make a declaration to the Management of the Group as follows:

If yes, I hereby declare that I have an actual/potential conflict of interest as follow: -
(briefly described the type of interest, value of transactions and the parties involved)

I hereby confirm that this is a complete disclosure of all conflicts of interest concerning personal interests or that of a related person which has business dealings with the Group.

I acknowledge and agree to comply with, any approach identified in this form for removing or managing an actual/potential conflict of interest.

Name:

Position:

Date:

Signature:

Section C: To be filled up by CEO/ CDO/ Head of Department

In my opinion the details provided:

- do not constitute an actual/potential conflict of interest, and I authorize the employee to continue the activity.
- do constitute an actual/potential conflict of interest.

If yes (constitute an actual/potential conflict of interest), I have reviewed the above considerations and request that the employee undertakes the following action to eliminate/manage the conflict:

Acknowledged by:

CEO/ CDO/ Head of Department Name:

Date:

DIRECTORS/KSM CONFLICT OF INTEREST DECLARATION FORM

Section A: This form is required to be completed by the Individual Director and KSM of the Group.
(kindly indicate tick (✓) where applicable)

No.	Conflict of interest situations	Please tick (✓) where applicable
1.	Do you or a person connected to you hold, directly or indirectly, a financial interest or other personal interest or affiliation with any company, vendor or firm that engages in any business dealings with the Group or proposes to enter a business or contractual relationship with the Group?	
2.	Do you hold a position as a director, executive, advisory board member, limited partner, officer, trustee or any other authoritative role that could exert influence, whether directly or indirectly, over any organisation, firm, or company whether joint venture, owned or partially owned that engage in direct or indirect competition with any the Group businesses? <i>Example: Hold a board seat or executive position of an entity or any of its sub-entities that has competing interests to the Group.</i>	
3.	Do you or a person connected to you engage, whether directly or indirectly, in any business dealings, transactions or arrangement (including tender processes) with any company, vendor or firm with which the Group has or proposes to enter into a business or contractual relationship that has resulted in or could result in personal gain or benefit?	
4.	Is any of your family members an employee of the Group?	
5.	Are you aware of any other interests, activities, transactions or involvement that have occurred or may occur in the future that you believe should be disclosed to ensure a comprehensive account of any actual, potential or perceived conflicts of interest?	
6.	None of the above.	

DIRECTORS/KSM CONFLICT OF INTEREST DECLARATION FORM – CONT'D

* Please provide the details including the company name, directorship and percentage of shareholdings and description of your interests for the questions that are applicable. In the event such interest relates to a person connected to you, please provide the aforesaid details and the relationship with the conflicted person.

<i>Individual/Company Name</i>
<i>Relationship/role</i>
<i>Nature of interest and additional comments (if any)</i>
<i>Description of the conflict or potential conflict of interest</i>

I hereby confirm that this is a complete disclosure of all conflicts of interest concerning personal interests or that of a related person which has business dealings with the Group.

I acknowledge and agree to promptly notify the ARMC/Chairman/Board and/or Company Secretary of the Group regarding any modifications in my responses to the aforesaid questions that may arise due to alterations in circumstances.

Signature

Name:

Position:

Date of declaration:

DIRECTORS/KSM CONFLICT OF INTEREST DECLARATION FORM – CONT'D***Section B: To be filled up by Audit and Risk Management Committee (“ARMC”)***

<i>Date of Disclosure</i>	
<i>Name of individual</i>	
<i>Description of the nature of the conflict</i>	
<i>Approved by the Board?</i>	
<i>Outline of the discussion about managing the conflict</i>	
<i>Details of the actions agreed to manage the conflict in the best interests of the Group</i>	
<i>Date from which the conflict arose:</i>	
<i>Annual report disclosure?</i>	

Acknowledged by:

Signature

Name:

Designation: